

**Introduced by Senator Perata**

February 18, 2004

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An act to amend Sections 82027.5, 82030, 84106, and 84202.5 of the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

SB 1353, as introduced, Perata. Political Reform Act of 1974.

(1) Existing provisions of the Political Reform Act of 1974 (the act) impose specified financial reporting requirements on various entities, including a state general purpose committee, which is defined to mean a committee to support or oppose candidates or measures voted on in a state election or in more than one county.

This bill would revise that definition to include a political party committee, as specified.

(2) Existing provisions of the act require elected officials and others to disclose their income, excluding, among other things, salary and reimbursement for expenses or per diem received from a state, local, or federal government.

This bill would expand that exclusion to also apply to Social Security, disability or other benefit payments received from a state, local, or federal government.

(3) Existing provisions of the act require a candidate or committee making contributions totaling \$10,000 or more in connection with an election to file a supplemental preelection statement no later than 12 days before the election.

This bill would specify that this supplemental preelection statement may be filed by guaranteed overnight delivery service or personal service.

(4) The bill would also make technical, nonsubstantive changes to the act.

(5) Existing law makes violations of the act punishable by administrative, civil, and criminal penalties.

This bill would impose a state mandated local program by imposing these penalties on persons who violate provisions of the bill.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(6) The act, an initiative measure, provides that the Legislature may amend the act to further its purposes with a  $\frac{2}{3}$  vote of each house and compliance with certain specified procedural requirements.

The bill would declare that it furthers the purpose of the act and would therefore require a  $\frac{2}{3}$  vote.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 82027.5 of the Government Code is  
2 amended to read:

3 82027.5. (a) “General purpose committee” means all  
4 committees pursuant to subdivisions (b) or (c) of Section 82013,  
5 and any committee pursuant to subdivision (a) of Section 82013  
6 which is formed or exists primarily to support or oppose more than  
7 one candidate or ballot measure, except as provided in Section  
8 82047.5.

9 (b) A “state general purpose committee” is a *political party*  
10 *committee, as defined in Section 85205, or a committee to support*  
11 *or oppose candidates or measures voted on in a state election, or*  
12 *in more than one county.*

13 (c) A “county general purpose committee” is a committee to  
14 support or oppose candidates or measures voted on in only one  
15 county, or in more than one jurisdiction within one county.

16 (d) A “city general purpose committee” is a committee to  
17 support or oppose candidates or measures voted on in only one  
18 city.

SEC. 2. Section 82030 of the Government Code is amended to read:

82030. (a) “Income” means, except as provided in subdivision (b), a payment received, including but not limited to any salary, wage, advance, dividend, interest, rent, proceeds from any sale, gift, including any gift of food or beverage, loan, forgiveness or payment of indebtedness received by the filer, reimbursement for expenses, per diem, or contribution to an insurance or pension program paid by any person other than an employer, and including any community property interest in the income of a spouse. Income also includes an outstanding loan. Income of an individual also includes a pro rata share of any income of any business entity or trust in which the individual or spouse owns, directly, indirectly or beneficially, a 10-percent interest or greater. “Income,” other than a gift, does not include income received from any source outside the jurisdiction and not doing business within the jurisdiction, not planning to do business within the jurisdiction, or not having done business within the jurisdiction during the two years prior to the time any statement or other action is required under this title.

(b) “Income” also does not include:

(1) Campaign contributions required to be reported under Chapter 4 (commencing with Section 84100).

(2) Salary and reimbursement for expenses or per diem received from a state, local, or federal government agency and reimbursement for travel expenses and per diem, *and Social Security, disability or other benefit payments* received from a bona fide nonprofit entity exempt from taxation under Section 501(c)(3) of the Internal Revenue Code.

(3) Any devise or inheritance.

(4) Interest, dividends, or premiums on a time or demand deposit in a financial institution, shares in a credit union or any insurance policy, payments received under any insurance policy, or any bond or other debt instrument issued by any government or government agency.

(5) Dividends, interest, or any other return on a security which is registered with the Securities and Exchange Commission of the United States government or a commodity future registered with the Commodity Futures Trading Commission of the United States

1 government, except proceeds from the sale of these securities and  
2 commodities futures.

3 (6) Redemption of a mutual fund.

4 (7) Alimony or child support payments.

5 (8) Any loan or loans from a commercial lending institution  
6 which are made in the lender's regular course of business on terms  
7 available to members of the public without regard to official status.

8 (9) Any loan from or payments received on a loan made to an  
9 individual's spouse, child, parent, grandparent, grandchild,  
10 brother, sister, parent-in-law, brother-in-law, sister-in-law,  
11 nephew, niece, uncle, aunt, or first cousin, or the spouse of any  
12 such person, provided that a loan or loan payment received from  
13 any such person shall be considered income if he or she is acting  
14 as an agent or intermediary for any person not covered by this  
15 paragraph.

16 (10) Any indebtedness created as part of a retail installment or  
17 credit card transaction if made in the lender's regular course of  
18 business on terms available to members of the public without  
19 regard to official status.

20 (11) Payments received under a defined benefit pension plan  
21 qualified under Internal Revenue Code Section 401(a).

22 (12) Proceeds from the sale of securities registered with the  
23 Securities and Exchange Commission of the United States  
24 government or from the sale of commodities futures registered  
25 with the Commodity Futures Trading Commission of the United  
26 States government if the filer sells the securities or the  
27 commodities futures on a stock or commodities exchange and does  
28 not know or have reason to know the identity of the purchaser.

29 SEC. 3. Section 84106 of the Government Code is amended  
30 to read:

31 84106. (a) Whenever identification of a sponsored  
32 committee is required by this title, the identification shall include  
33 the full name of the committee as ~~contained~~ *required* in its  
34 statement of organization.

35 (b) A sponsored committee shall use only one name in its  
36 statement of organization.

37 SEC. 4. Section 84202.5 of the Government Code is amended  
38 to read:

39 84202.5. (a) Any candidate or any committee pursuant to  
40 subdivision (a) of Section 82013 which makes contributions

1 totaling ten thousand dollars (\$10,000) or more in connection with  
2 an election, including a runoff election, shall file a supplemental  
3 preelection statement no later than 12 days before the election, for  
4 the period ending 17 days before the election. This statement shall  
5 be filed *by guaranteed overnight delivery service or by personal*  
6 *delivery* with each office with which the candidate or committee  
7 filing the statement is required to file its next campaign statement  
8 pursuant to Section 84215.

9 (b) This section shall not apply to candidates or committees  
10 during any semiannual period in which the candidate or committee  
11 is required to file preelection statements pursuant to Section  
12 84200.5.

13 (c) If a candidate or committee makes contributions totaling ten  
14 thousand dollars (\$10,000) or more in connection with an election  
15 and all of those contributions are reported pursuant to Section  
16 84200 or 84202.7 on or before the closing date specified in  
17 subdivision (a), the candidate or committee shall not be required  
18 to file additional statements for that period pursuant to this section.

19 SEC. 5. No reimbursement is required by this act pursuant to  
20 Section 6 of Article XIII B of the California Constitution because  
21 the only costs that may be incurred by a local agency or school  
22 district will be incurred because this act creates a new crime or  
23 infraction, eliminates a crime or infraction, or changes the penalty  
24 for a crime or infraction, within the meaning of Section 17556 of  
25 the Government Code, or changes the definition of a crime within  
26 the meaning of Section 6 of Article XIII B of the California  
27 Constitution.

28 SEC. 6. The Legislature finds and declares that this bill  
29 furthers the purposes of the Political Reform Act of 1974 within  
30 the meaning of subdivision (a) of Section 81012 of the  
31 Government Code.

